

Exhibit D

Page 1

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
)
) File No. HO-13388-A
)
KIK INTERACTIVE)

WITNESS: Edward "Ted" Livingston

PAGES: 1 through 314

PLACE: U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

DATE: Wednesday, November 7, 2018

The above-entitled matter came on for hearing,
pursuant to notice, at 9:48 a.m.

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<p style="text-align: center;">Page 18</p> <p>1 and we built a great experience for everyone. And 2 these BlackBerry users basically became our advocates, 3 like saying, hey, you have to get this. It's great for 4 not just for you, but also for us, for the first time 5 ever. And it just blew up.</p> <p>Q Got it. So the Kik app was created and blew up in 2010; is that right?</p> <p>A Yeah. October 2010.</p> <p>Q Okay. Let's take that half of the decade, 2010 to 2015.</p> <p>A Okay.</p> <p>Q Did competitors come in, competing chat apps?</p> <p>A So you want the history?</p> <p>Q Yeah.</p> <p>A Yeah. Yeah. I can give you the rest of the story --</p> <p>Q Oh, yeah, go ahead.</p> <p>A -- if you want.</p> <p>Q Yeah.</p> <p>A Competitors definitely came in. So what happened at that time, you know, 2 millions users, everybody in the world is talking about us, is in hind sight -- we didn't realize this at the time. In hind sight, BlackBerry was viewing Kik as a threat to</p>	<p style="text-align: center;">Page 20</p> <p>1 It's a cross-platform chat. And so it basically wiped 2 us out. That was, like, personally very tough for me 3 as well because there was a lawsuit, so, you know, you 4 can't say anything. But they implied a lot of things 5 about me personally. I had been at BlackBerry.</p> <p>I worked at BlackBerry. I signed a nondisclosure agreement. I signed an IP agreement. It's like, so what are you saying, you stole this? No, we're not saying that. It was, like, a tough time personally for everyone. Fortunately, some top investors in the U.S. realized that this is an amazing team. This is just a big incumbent being threatened. These are the guys to back.</p> <p>So in March 2011, even though we had almost no users at this point, we raised \$8 million U.S. from Union Square Ventures, Spark Capital, and RRE. And that saved the company.</p> <p>Q What was the last one?</p> <p>A RRE.</p> <p>Q Okay.</p> <p>A It's an acronym.</p> <p>Q Sorry.</p> <p>A Robinson, Robinson and Ellis, maybe. So here we are in March 2011. I think we announced it April 2011, something like that. So we have money, but</p>
<p style="text-align: center;">Page 19</p> <p>1 BlackBerry Messenger, a competitive -- a competitor. 2 And they probably saw it in their data. I don't know 3 if they did or not, but I assume they did, with seeing 4 BlackBerry Messenger users using BlackBerry Messenger 5 less when they became Kik users.</p> <p>Now, we had worked with them for years. I had worked there. I knew a lot of people there. Not at a senior level, because it was a massive company at this point, and I was just, like, some intern kid. But we had worked for them -- with them for a while. And basically, they tried to kill Kik at that point.</p> <p>So they kicked us off their platform. They turned off push notifications. So messages would take about an hour to deliver. They took us out of the app store. They took away all access to their tools. And they sued us for patent infringement.</p> <p>And so basically, what that meant is at the time, we had about a third iPhone, a third Android, and a third BlackBerry users. And we lost 99 percent of those users over by about three weeks. So we went from literally the hottest thing on the planet to being, like, yesterday's news in a matter of weeks.</p> <p>Because even if you weren't on BlackBerry, the odds are you were talking to somebody on BlackBerry. That was the whole value proposition.</p>	<p style="text-align: center;">Page 21</p> <p>1 we have no users. And so how do we get back in the 2 game? And so what we focused on was, one, okay, we're 3 never going to be SMS for free because we don't have 4 BlackBerry anymore. And so over time, WhatsApp took 5 that position. But at the time, we owned it.</p> <p>It was sort of unfairly taken away from us, from my point of view. So we couldn't be that. So we focused on the differentiation of while in Kik, we'll give you complete control over your identity. We won't tie it to a phone number. We'll tie it to a username. So if you just want SMS for free, we can't be that, because we are sort of fundamentally handicapped there.</p> <p>But if you want to come in, connect with people all over the world, but have sort of complete control over who you are, how you present yourself, you should get Kik. So that was one of the things we focused on, and then the second was becoming a platform.</p> <p>Do you have a question?</p> <p>Q I don't know. Got it. So you -- it sounds like as a result -- correct me if I'm mischaracterizing this. As a result of BlackBerry cutting you off of their platform and what you perceived as sort of unfair threats, shutting --</p> <p>A Unfair actions. I don't know about</p>

<p style="text-align: center;">Page 66</p> <p>1 A I got very excited about the idea that this 2 could be a third option as a way for consumer apps to 3 make money.</p> <p>4 Q Got it. Why not introduce a crypto in 2012 5 then?</p> <p>6 A Or 2013, '14, '15, '16.</p> <p>7 Q Sure.</p> <p>8 A I think for a few reasons. So back then, 9 there wasn't the pressure to make money that there was 10 later. So I think that was one of it. Second is this 11 Bitcoin thing was a brand new thing. Like, very few 12 people in the world understood what was happening with 13 Bitcoin. I was in a room with 12 other people, like 14 the who's who in Bitcoin. And there's -- it's less 15 people in the room than at this table.</p> <p>16 So it was a very new and novel idea. So I 17 think while I viewed it as it could be a one day 18 solution, that it wasn't required today. And, in fact, 19 you know, I get excited about different options and 20 about the future. And that's something I'm very good 21 at is sort of seeing the future early. But then I want 22 to confirm it for myself that it's viable.</p> <p>23 Q What did that take with crypto?</p> <p>24 A So the logic for why crypto could work as a 25 business model, the logic was very good. And the logic</p>	<p style="text-align: center;">Page 68</p> <p>1 when I think back to who I went to inside the company, 2 I'm not -- like, a lot of this, I was just doing the 3 thinking on my own. I might have talked to my 4 co-founder. I haven't asked him since then.</p> <p>5 He left the company sort of two years ago. 6 I know I brought it up to him at some point, but I'm 7 not even sure when that was. Because the idea that 8 you're going to invent the third, meaning there were 9 only two before it, business models for consumer 10 applications in history, and that business model is 11 you're going to launch a new economy around a new 12 currency, you're going to own a piece of that currency, 13 and that piece you own will be your ultimate economic 14 reward, today it seems straightforward, but even a year 15 ago, it was, like, a crazy idea.</p> <p>16 Q It wasn't a tested or thought about 17 business model in 2012, '13, '14?</p> <p>18 A Even today, when I talk to people in the 19 cryptocurrency industry today, lots of people do not 20 understand this.</p> <p>21 Q Okay. But I also take it part of what made 22 the project emerge in 2017 and not 2012 is you were 23 facing more pressure for monetization and pressure from 24 investors; is that fair?</p> <p>25 A Id say in 2012, it was a very crazy idea.</p>
<p style="text-align: center;">Page 67</p> <p>1 back then is the logic today, and it has proven to me 2 to be totally true. But people always say, "Well, what 3 data do you have to validate your hypothesis?"</p> <p>4 You know, I'm a very gut-driven person, a 5 logic-driven person. But when you're trying to 6 convince a group of investors, a team, all of these 7 different people, that, hey, of all our very small 8 amount of resources that we're trying to allocate to 9 win and survive and build a business, that we should 10 spend some of those resources on this, you know. It's 11 not just a "Well, I thought it was a good idea."</p> <p>12 And that becomes especially true when 13 you're struggling. Then it's even more important to 14 have a bulletproof argument for why this is a good idea 15 because people both outside and, more importantly, 16 inside are naturally skeptical.</p> <p>17 Q Let me make sure I understand that. 18 Is it fair to say that in 2012, had you 19 gone to Kik's backers, its investors, and said, "I want 20 to pivot to crypto," it wouldn't have been a known 21 tested thing in the world that they would have heard 22 about and embraced at the time?</p> <p>23 A I didn't go to any of our investors at the 24 time. In fact, the first investor I went to, to the 25 best of my knowledge, is Fred Wilson in 2016. And even</p>	<p style="text-align: center;">Page 69</p> <p>1 It's not a crazy idea we needed to pursue yet. It was 2 just sort of like what could be a third option one day. 3 So for all of those reasons, I could sort of slowly 4 build my own internal case for why this made sense.</p> <p>5 Q And it was -- it was you building the 6 internal case within Kik; is that right?</p> <p>7 A Correct.</p> <p>8 Q Were there any other people who were 9 championing the crypto project other than you?</p> <p>10 A Internally?</p> <p>11 Q Yeah.</p> <p>12 A I'm -- it's possible -- again, I'm -- I 13 believe the first person I told -- the first person I 14 told of our investors was Fred Wilson in 2016. Before 15 that, I probably told Chris Best, but I'm not even 16 certain of that. And then outside of him, I'm fairly 17 sure I didn't tell anyone, or at least not until right 18 around when I told Fred.</p> <p>19 Q Chris Best was the co-founder of the 20 company?</p> <p>21 A Correct.</p> <p>22 Q Okay. You were the driver of the Kin 23 project, what became the Kin project?</p> <p>24 A Correct.</p> <p>25 Q Okay. There's a project that I think you</p>